

Press release

Cureus looks back on a successful Q4/2022 and remains fit for 2023

- **2022: 1,205 care and assisted living units completed and construction underway on a further 928 care and assisted living units**
- **569 units completed in Q4 2022 alone**
- **Various operators agree long-term leases**
- **Sale of two assets releases tied-up liquidity**
- **Safe waters for Cureus despite challenging market environment**
- **Wishing tree initiative and Christmas donation for the Mittagskinder Foundation**
- **Sustainalytics reaffirms low ESG risk for Cureus**

Hamburg, 12 January 2023. Cureus, an integrated property company that specialises in developing and actively managing its own care home portfolio, has enjoyed a successful end to the 2022 financial year. From January to December 2022, the company completed a total of 14 projects with 1,205 care and assisted living units in several German federal states. In addition, construction got underway on nine new projects with 928 care and assisted living units during the course of the year. All of the projects are managed in conjunction with the company's established network of operating partners.

Management describes Cureus as being in “safe waters”, current market environment as challenging, and makes appeal to politicians and banks

“Using our unique system approach, the Cureus team, which now numbers around 165, has completed more care and assisted living units in 2022 than ever before, namely 1,200 units”, says Christian Möhrke, COO of Cureus, who is clearly delighted by Cureus' impressive growth, both in terms of personnel and its operative business. “Nonetheless, we didn't quite reach our target for completions, mainly as a result of the coronavirus pandemic, the summer floods of 2021, and material bottlenecks that affected some of our construction sites. Consequently, we have postponed a number of completions until 2023. Nevertheless, the continued commitment and confidence of our key partners validates our strategy and encourages us to pursue our objectives. Last year, for example, we expanded the scope of a running contract with the SCHÖNES LEBEN Group”.

“Despite the challenging market environment, we are plotting a safe course and will continue to do everything in our power to deliver the senior care capacities that Germany so urgently needs”, says Gerald Klinck, CEO of Cureus. “In doing so, we have positioned ourselves to react flexibly to changing circumstances while at the same time remaining true to our proven

system approach and our sustainability commitments. Consequently, in view of the current restrictive financing and funding environment, we have decided to dispose of selected assets in order to free up liquidity for a number of new projects. In pursuit of the above aspirations, all of our system care properties have targeted DGNB Silver Standard since we joined the DGNB scheme in 2022. In addition, we also fulfilled our ESG and transparency objectives with reports, ratings and data collection". For example, a part of the real estate portfolio was subjected to an ESG rating and performed above average. As part of a further analysis, these rated properties – which represent a good sample from the new constructed part of the Cureus portfolio – were also certified as being compliant with the Paris Climate Agreement by 2050.

Oliver Sturhahn, CFO of Cureus, has called for politicians and banks to show greater commitment to the creation of care properties as this is the only way to attract more investors to the market segment: "Due to rising construction costs and interest rates with a simultaneous sharp reduction in subsidies, the equity requirement for each project is also increasing. If more private investors are to take responsibility for the creation of social infrastructure, they need to be supported – both by politicians and the banking industry. Firstly, far more large banks need to become involved in the care real estate sector. Secondly, we need to establish a funding framework for social infrastructure that, in addition to proven KfW investment and development instruments, also provides additional funds, perhaps similar to the approaches adopted in the social housing sector, for this particular asset class. Last but not least, individual federal states should also set higher investment cost ratios for care home operators. This is the only way to ensure that rents can rise in line with the sector's growing capital requirements to contribute to the financing of new projects. For its part, Cureus has a loan volume of around 720 million euros as of December 2022, around 250 million euros of which was raised in 2022 alone, in addition to secured subsidies of around 500 million euros".

Cureus disposed of two assets at the end of 2022

In view of higher construction costs, rising interest rates, reduced subsidies, and lease rates that are still not keeping pace with general economic developments, equity requirements in the in the field of care property construction have risen sharply. With the sale of two properties in Krefeld and Schwerin Cureus generated additional liquidity at the end of 2022 to fund the construction of new properties in 2023. By expanding its business activities in this way, Cureus is taking appropriate account of the evolving market landscape. The assets in Krefeld and Schwerin comprised 317 units.

The Cureus team supports the Mittagskinder Foundation in Hamburg

For Christmas, Cureus launched a wishing tree initiative for the Hamburg Mittagskinder Foundation. The Christmas trees in Cureus' Hamburg office was decorated with the wishes of 50 children, all of whom are supported by the Mittagskinder Foundation. These wishes were

then picked and fulfilled by the company's employees. For its part, Cureus donated EUR 5,000 towards the Mittagskinder Foundation's valuable work, which ensures that disadvantaged children have regular free meals and expert assistance during the afternoon and early evening. The donation from Cureus will enable the foundation's Hamburg institution to add to its range of furnishings and toys for the children they look after. You can read more about the Mittagskinder Foundation [here](#).

Upgraded Sustainalytics rating – assessment reaffirms low ESG risk for Cureus

in December 2022, Sustainalytics reassessed Cureus to determine the company's risk exposure to the material financial impact of a range of ESG factors. As with last year's rating, Sustainalytics rated Cureus' risk level as "low". Specifically, Cureus achieved an ESG Risk Rating of just 10.1 points (previous year 12.2 points) according to the Sustainalytics ESG rating scheme, which has a maximum score of 100 points. The rating places Cureus at the lower edge of the "low risk" category, close to "negligible risk". The analysis ranks Cureus 63rd out of 1,070 real estate companies worldwide. [Further details are available here](#).

Portfolio structure at the end of 2022

Property portfolio

The portfolio now comprises 53 leased properties with 5,223 care places, 381 assisted living units and 14 other units.

90 projects under construction and in the pipeline

Cureus currently has 2,426 care places, 509 assisted living units and 82 other units under construction in 31 projects.

Cureus currently has approx. 4,850 care places, 1,330 assisted living units and 30 other units in 59 projects in planning. All projects in planning have already been notarised.

Cureus projects can comprise different construction phases at one location which are later combined as one leased property.

Projects started and completed in Q4 2022

Cureus continued to successfully expand its property portfolio in various regions of Germany in Q4 2022. The company reports seven completions at six different locations, comprising 465 care and 104 assisted living units.

In **Lengerich** (North Rhine-Westphalia) a two-part residence with 80 inpatient care places, 39 assisted living units, a 10-unit out-of-hospital intensive care group and a day care facility with

18 places was completed in accordance with the KfW 40 energy efficiency standard for the SCHÖNES LEBEN Group in early November 2022.

In November 2022, Cureus also handed over the Lavendio Seniorenresidenz **Melle** (Lower Saxony). The residence is equipped with 126 care places, plus an in-house restaurant, laundry, hair and chiropody salon. The new residence also complies with the KfW 40 standard. [Details about the project...](#)

In **Dessau** (Saxony-Anhalt), December 2022 saw the completion of a senior residence with 141 care places and 4 assisted living units to the KfW 40 standard for the SCHÖNES LEBEN Group.

In **Delbrück** (North Rhine-Westphalia), a Curavie senior residence with 80 inpatient care places and nine assisted living units was completed and handed over to the operator in December 2022. The property was also constructed in accordance with KfW 40 specifications.

With 14 assisted living units and an outpatient day-care facility with 20 places, the second of three construction phases was also completed in **Greifswald** (Mecklenburg-Western Pomerania) in December 2022. The site's main building, a senior residence with 110 care places for permanent, short-term and respite care, had already been completed and put into operation by the SCHÖNES LEBEN Group in Q2 2022. A third and final construction phase will follow, encompassing 20 wheelchair-accessible units in a building with a common room and terrace. All three buildings are being designed and built to the KfW 40 standard.

The second construction phase of the MEDIKO Seniorenresidenz in **Wilhelmshaven** (Lower Saxony) was also completed by the end of December 2022. The new residence has 27 assisted living units and ten units for out-of-hospital intensive care. A modern senior residence with 137 single rooms for full inpatient care had already been completed at the same location in the first construction phase. [Details about the project.](#)

Cureus also laid a number of foundation stones and held topping-out ceremonies in the final quarter of 2022. In October, two foundation stones were laid in **Herne** (North Rhine-Westphalia) for a total of 246 care and residential units and a topping-out ceremony was held in **Gnarrenburg** (Lower Saxony) for a facility with 112 inpatient care places. These were followed in November by topping-out ceremonies in **Solingen** and **Alfter** (North Rhine-Westphalia), which will create a total of 263 care places.

Planning and construction in accordance with the Cureus system approach

All Cureus new-build properties are designed and built in accordance with the Cureus standard for system care homes. This specifies uniform, high quality standards and is oriented, among other things, towards the requirements of care home operators, residents and caregivers. This

systematic approach enables Cureus to optimise both structural processes and the properties themselves from the inside to the outside. This relates, for example, to the dimensions and arrangement of every room in order to maximise to space and walkways. Cureus care homes are also designed and equipped for maximum utility. Interior corridors benefit from as much daylight as possible, every room has floor-to-ceiling windows and attractive views of the surrounding area, while the modern bathrooms and window fronts always follow the same standardised system approach. The architecture and facade of each residence incorporate individual touches and are constructed to the highest quality standards, integrating seamlessly into their surroundings. The Cureus system approach also prioritises sustainability, both in terms of a care home's long-term economic viability and its impact on the environment. All Cureus care homes are, for example, constructed in accordance with the 'Effizienzhaus 40 Standard' of the KfW, while the bulk procurement of floor coverings and elevator systems, for example, achieves significant cost synergies. Long-term maintenance contracts that cover several properties also reduce costs for care home operators. The constant review and optimisation of the Cureus system care home standard guarantees the construction of care homes that truly meet demand.

Images & Downloads



Photo Oliver Sturhahn (CFO), Christian Möhrke (COO) and Gerald Klinck (CEO), Cureus

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Visualisation Senior residence Dessau, Saxony-Anhalt, a project of Cureus

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Visualisation Lavendio senior residence Melle, Lower Saxony, a project of Cureus

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Whitepaper „Optimised, unique, scalable – care home properties following a system“ (only available in German)

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About Cureus GmbH

Cureus GmbH has its operational headquarters in Hamburg and, with more than 15 years of experience and a team of around 165 employees, is an experienced integrated property company with special expertise in care homes in Germany that develops and manages its own property portfolio actively.

With its “system care home” standard, Cureus has developed a unique standard for care homes for inpatient care and assisted living, which can be implemented as a scalable solution independent of location. Based on the current legal requirements as well as the needs of operators, residents, and communities, Cureus is establishing new, consistent quality standards with its system care homes. The company is thereby offering a highly efficient product, which combines higher cost-efficiency at lower cost structures with improved living and service quality in the care sector.

With an average age of four years, the company’s property portfolio is still relatively new and, as of 31 December 2022, consists of 53 properties on long-term leases to care home operators with 5,223 care places and 381 assisted living units worth around EUR 1.0 billion. In addition, the company has 31 projects currently under construction and 59 notarised projects, which will add a further 7,280 care places and around 1,840 assisted living units to the portfolio by 2026. These projects have an expected value after completion of around EUR 1.7 billion. www.cureus.de/en

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